

Business Proprietary

OMB Control No. 0625-0139
Expiration Date: 12/31/2028

Notification Requesting Production Authority

Instruction Sheet

This collection of information contains Paperwork Reduction Act (PRA) requirements approved by the Office of Management and Budget (OMB). Notwithstanding any other provision of law, no person is required to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the PRA unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 5.5 hours, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Persons wishing to comment on the burden estimate or any aspect of this collection of information, or offer suggestions for reducing this burden, should send their comments to the ITA Reports Clearance Officer, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW, Washington, DC 20230.

No zone, subzone, zone expansion/reorganization/modification, or production authority may be approved unless a completed application/notification/request has been received (19 U.S.C. 81a-81u; 15 CFR Part 400). The Foreign-Trade Zones Board has no authority to finance zone projects. Its approval is in the form of a grant of authority (license) for operating a facility under foreign-trade zone procedures. The basic requirements for foreign-trade zone applications are found in the regulations of the Foreign-Trade Zones Board (15 CFR Part 400), including Sections 400.21 through 400.25. Application formats are available on the [FTZ Board web site](#).

Corporations submitting applications must be qualified to apply under the laws of the state in which the zone is to be located. Applicants may submit drafts of their applications to the FTZ Staff, who can provide comments and technical assistance in interpreting the Board's regulations.

Applicants should note that conduct of their proposed activity under FTZ procedures includes an additional, ongoing information-collection burden associated with the Annual Report from Foreign-Trade Zones (OMB Control No. 0625-0109).

FTZ Staff
March 2013

Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue, N.W., Room 21013
Washington, D.C. 20230
(202) 482-2862

Public Version

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NOTIFICATION REQUESTING FTZ PRODUCTION AUTHORITY

Grantees or operators may submit production notifications to the Board's Executive Secretary at: ftz@trade.gov. If an operator submits the application, it must also provide a copy to the grantee. The grantee or operator submitting the notification must at the same time provide a copy to the U.S. Customs and Border Protection (CBP) office with oversight responsibility for the zone.

Requests for an expansion of an existing scope of authority (new foreign-status components or finished products) should list only the proposed **new** finished products and/or foreign-status components in the production notification.

Leave the language of each question in place (including its number) and provide your response directly below each question.

Company and FTZ Site(s)

1. State a) the FTZ user (company for whose benefit the activity would be conducted) and b) the zone/subzone locations (including site numbers) at which the activity would be conducted.
 - a. Happily Ever After Industries
 - b. FTZ 333: 123 Grimm Lane, Fantasyland

Proposed Activity

2. Provide a short summary (generally no more than a few paragraphs) of the activity that the company proposes to conduct under FTZ procedures.

Happily Ever After Industries provides a variety of goods and services to ensure positive results for a wide range of people and creatures. Its headquarters and operations are located in Fantasyland.

One of our divisions is comprised of fairy godmothers that provide assistance to clients in tough situations. To assist them, Happily Ever Industries procures certain inputs to create the items necessary for the clients' needs. One of our most common items is a horse-drawn carriage for transporting orphans to extravagant parties where they can meet royal soulmates.

Currently, there are 100 fairy godmothers involved in this activity and 75 percent of our carriages are exported to **[Germany and France]**.

Our fairy godmothers have specialized training to convert pumpkins into carriages that carry clients to their destinations. However, the pumpkins must meet certain specifications to create a proper carriage, otherwise, the transformation will be temporary, lasting **[only until midnight on the day it is created]**. For a permanent transformation, the pumpkins must have **[a certain level**

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2. Provide a short summary (generally no more than a few paragraphs) of the activity that the company proposes to conduct under FTZ procedures.

Happily Ever After Industries provides a variety of goods and services to ensure positive results for a wide range of people and creatures. Its headquarters and operations are located in Fantasyland.

One of our divisions is comprised of fairy godmothers that provide assistance to clients in tough situations. To assist them, Happily Ever Industries procures certain inputs to create the items necessary for the clients' needs. One of our most common items is a horse-drawn carriage for transporting orphans to extravagant parties where they can meet royal soulmates.

Currently, there are 100 fairy godmothers involved in this activity and 75 percent of our carriages are exported to **[two countries]**.

Our fairy godmothers have specialized training to convert pumpkins into carriages that carry clients to their destinations. However, the pumpkins must meet certain specifications to create a proper carriage, otherwise, the transformation will be temporary, lasting **[temporarily]**. For a permanent transformation, the pumpkins must have **[a certain property]**. Pumpkins with this

of pixie dust. Pumpkins with this property are only available in **[Neverland]**. Happily Ever After Industries would purchase this input from a domestic source if it was available. Attached below is an analysis of the **[fairy dust content]** in a sample of pumpkins grown domestically compared with a sample of pumpkins grown in **[Neverland]**. Given this need, Happily Ever After Industries sources, by value, **[75 percent]** of the components for horse-drawn carriages from foreign sources.

With the new tariffs in place, it is much more cumbersome to import the main component needed to provide carriages to our clientele and, if we cannot bring in more input, then we will not have enough work for our fairy godmothers and would be forced to consider cutbacks or moving our operations elsewhere. Our work also contributes to the public good by helping orphans get out from under the thumb of oppressive stepmothers.

The value breakdown for horse-drawn carriages is as follows:

Fantasyland materials = 7.5%;

Foreign materials = 22.5%; and

Value added at your facility (labor, profit, overhead, etc.) = 70%.

(U.S. materials + foreign materials + value added = 100%)

Products and Components

3. Are any of the listed foreign-status components/inputs subject to a trade-related measure or proceeding (such as an AD/CVD order or proceeding, suspension of liquidation under AD/CVD procedures, or Section 201/204/232/301/337/421/1702 orders)? If any foreign-status components are subject to AD/CVD orders, list the components and provide the applicable order and country information. *Note that FTZ authority is not specific to country of origin so this question should be answered for all trade measures regardless of current sourcing.*

☐ None of the listed foreign-status components are subject to a trade-related measure or proceeding.

☒ Some or all of the listed foreign-status components are subject to a trade-related measure or proceeding, as follows (list the measure(s) and/or proceeding(s), and include the following AD/CVD table, if applicable).

Section 1702

The following components are subject to AD/CVD orders:

property are only available in **[another place]**. Happily Ever After Industries would purchase this input from a domestic source if it was available. Attached below is an analysis of the **[property]** in a sample of pumpkins grown domestically compared with a sample of pumpkins grown in **[another place]**. Given this need, Happily Ever After Industries sources, by value, **[55 to 85 percent]** of the components for horse-drawn carriages from foreign sources.

With the new tariffs in place, it is much more cumbersome to import the main component needed to provide carriages to our clientele and, if we cannot bring in more input, then we will not have enough work for our fairy godmothers and would be forced to consider cutbacks or moving our operations elsewhere. Our work also contributes to the public good by helping orphans get out from under the thumb of oppressive stepmothers.

The value breakdown for horse-drawn carriages is as follows:

Fantasyland materials = 7.5%;

Foreign materials = 22.5%; and

Value added at your facility (labor, profit, overhead, etc.) = 70%.

(U.S. materials + foreign materials + value added = 100%)

Products and Components

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☐ None of the listed foreign-status components are subject to a trade-related measure or proceeding.

☒ Some or all of the listed foreign-status components are subject to a trade-related measure or proceeding, as follows (list the measure(s) and/or proceeding(s), and include the following AD/CVD table, if applicable).

Section 1702

The following components are subject to AD/CVD orders:

Component	AD/CVD Order No.	Country

4. Using the table formats, below, list the finished products and foreign-status components/inputs proposed for production under FTZ procedures. The list of finished products and foreign-status components/inputs should encompass both actual/planned activity and potential activity for which you request authority. Any eventual authority approved by the FTZ Board (the “scope of authority”) would extend only to the specific finished products and foreign-status components/inputs listed in the notification and authorized by the FTZ Board. For each finished product and foreign-status component/input, provide a physical description (not the description from the HTSUS), 6-digit HTSUS number, and current U.S. duty rate.

Table 1- Finished Products

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate
Horse-Drawn Carriage	8716.80	3.2%

Table 2 - Foreign-Status Components

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate
Pumpkins	0709.93	11.3%

Component	AD/CVD Order No.	Country

4. Using the table formats, below, list the finished products and foreign-status components/inputs proposed for production under FTZ procedures. The list of finished products and foreign-status components/inputs should encompass both actual/planned activity and potential activity for which you request authority. Any eventual authority approved by the FTZ Board (the “scope of authority”) would extend only to the specific finished products and foreign-status components/inputs listed in the notification and authorized by the FTZ Board. For each finished product and foreign-status component/input, provide a physical description (not the description from the HTSUS), 6-digit HTSUS number, and current U.S. duty rate.

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Physical Description (not HTSUS description)	HTSUS No.	Duty Rate
Horse-Drawn Carriage	8716.80	3.2%

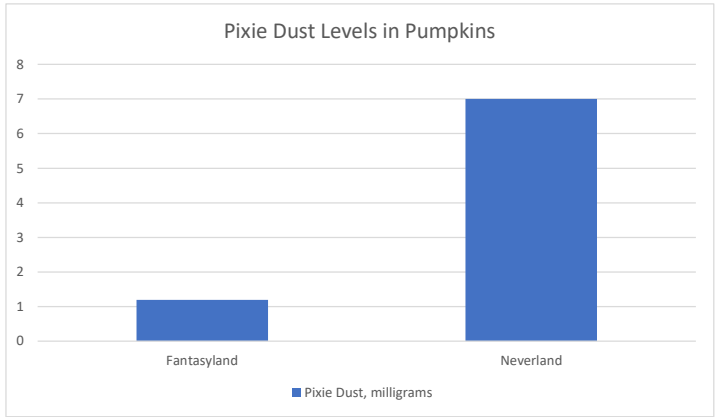
Table 2 - Foreign-Status Components

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate
Pumpkins	0709.93	11.3%

[Analysis of Magical Properties:

Analyst: Jack, Certified Expert of Fantastical Horticulture

Comparison of Pixie Dust Levels found in Pumpkins grown in Fantasyland and Neverland



After testing a sample of 200 pumpkins in each location, it is apparent that the amount of pixie dust found in pumpkins grown in Neverland is significantly higher than the amount of pixie dust found in pumpkins grown in Fantasyland.]

Attachment: Comparative Analysis of Properties of Pumpkins Grown in Fantasyland and Abroad

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[Chart Showing Analysis of Pumpkin Properties]